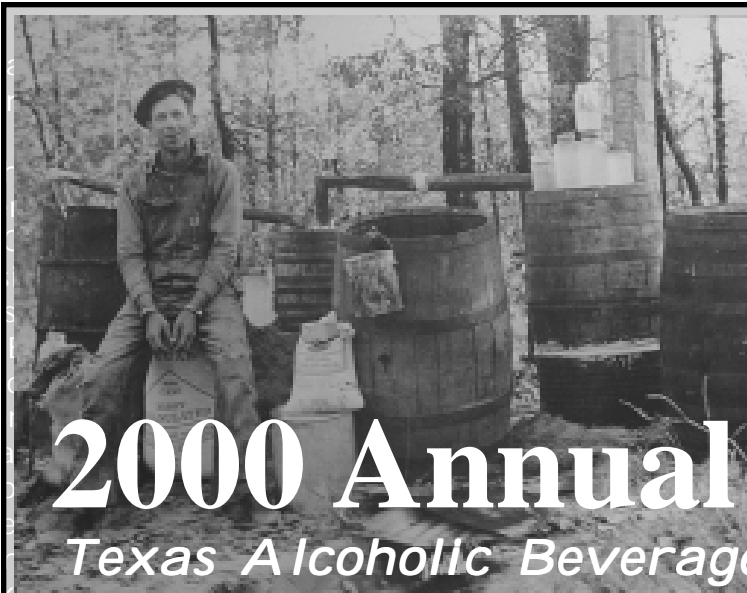


# 2000 Annual Report

## *Texas Alcoholic Beverage Commission*



As Texas' growth continues into the new century, we can feel confident that the Texas Alcoholic Beverage Commission will be ready.

Texans are relishing this period of successful growth and prosperity. Since 1935, the Texas Alcoholic Beverage Commission has worked hard to earn the public trust. Our employees have a keen sense of duty in protecting and serving the citizens of Texas. We are dedicated to achieving our goals in the best way possible.

The Alcoholic Beverage Commission is unique in the fact that as a state agency it has regulatory, enforcement and tax-collection authorities. We understand that these are broad powers that are delegated to this agency and we know that such power must be handled in a responsible and sensible manner.

The Texas Alcoholic Beverage Commission collects in excess of \$194 million annually in taxes and fees, which aid in the financing of the state's public schools, state and local governments, research, human services, as well as other areas in which state government provides services to all Texans.

The Texas Alcoholic Beverage Commission believes strongly in education. The agency conducts and coordinates numerous programs which educate and train school children, young adults, licensees and their employees, and civic groups.

The Texas Alcoholic Beverage Commission is aggressive in its efforts to communicate to the people it serves and protects. We continue to participate in the "Survey of Excellence" and we have developed and published a comprehensive "Compact with Texans" contract.

The Texas Alcoholic Beverage Commission is proud of its abilities to work side-by-side with local law enforcement departments. We know that our efforts must be harmonious efforts within the communities of Texas.

The Texas Alcoholic Beverage Commission recognizes the effect that NAFTA has on the traffic between Texas and Mexico. Our ports of entry department has increased its efforts with the opening of new bridges and locations in order to more efficiently carry out its mandate and better serve the people.

As we face this new century, we must be ready to recognize new priorities while still achieving our current goals. We believe that our educational programs are an important part of our future. As an agency, we must continue to be diverse and responsible in our efforts. We must always remind ourselves that communication between our customers and our employees is a critical component in meeting the needs of the future. With your help, we are confident that we can make it work.



Doyne Bailey, Administrator





As the agency continues to meet its stated key performance measures over the past four years, the staff continues to use creativity and initiative to support the mission of the agency.

Through an ongoing process to review the agency rules and procedures in order to ensure its activity supports the stated mission, the agency has improved ongoing programs, including education. This education is intended to encourage voluntary compliance with the alcoholic beverage laws.

Realizing that no one group alone may solve or eliminate the underage drinking problem in the State of Texas, the enforcement division of the agency has been active in partnering with numerous groups in order to enhance the awareness of the issues involved as well as promote its educational efforts. The staff is active in many communities, interacting with various coalitions whose focus is underage drinking or DWI.

The agency continually strives to work with or act as a resource for local law enforcement. Monies obtained through the grant process have allowed the agency to distribute over 1,500 minor sting training videos to local law enforcement. The agency continues to provide four hour liquor law classes to newly commissioned peace officers and justices of the peace throughout the state.

FROM TOP TO BOTTOM

While the resource management division focuses its efforts in streamlining internal agency procedures and accompanying paperwork, it continues to expand the role of technology.

The license and compliance division recently completed a major review of rule amendments to the seller-server training program. The seller-server training program had not had a substantive review since its inception. The most recent rules will enhance the knowledge of the server, improve quality of the training and provide penalties for those who have been trained but continue to sell to minors or intoxicated persons. The compliance staff's role continues to expand in regulatory oversight and in the resolutions of complaints that are regulatory in nature versus those which are criminal.

The ports of entry section is expanding its presence along the border regions of the state. The number of bridges along the border with Mexico have been increased in order to handle the growing effects of NAFTA, the increased volume of importation of alcoholic beverages and cigarettes, and to curb the problem of underage drinking.

Currently, under development, is a program entitled "Alcohol Enforcement Specialist." This program discusses different approaches to underage drinking and the method of organizing efforts to combat underage drinking.

An additional program for police managers is a one day workshop covering how to handle youth alcohol issues and how to develop a plan of action. This program is detailed more within this report.

Perhaps one of the most successful efforts of the past year is the combined efforts of law enforcement for "Operation Fake Out." This operation was conducted in each of the agency's eight regions. This operation was especially successful in discouraging the use of fake ID's to obtain alcoholic beverages in the college/university areas.

## **Some highlights of who we are and what we do:**

When the 21<sup>st</sup> Amendment to the United States Constitution repealed national prohibition (imposed by the 18<sup>th</sup> Amendment) in 1933, it delegated responsibility for regulation of the alcoholic beverage industry to the individual states. Shortly thereafter, the Texas Legislature, meeting in special session, enacted the Texas Liquor Control Act which created the Liquor Control Board. The LCB, as it was commonly known, began its existence on November 16, 1935. The name of the agency was changed January 1, 1970, to the Texas Alcoholic Beverage Commission and on September 1, 1977, the recodified Texas Liquor Control Act became the Texas Alcoholic Beverage Code.

The Texas Alcoholic Beverage Commission includes our Austin headquarters, 8 regional offices, 18 district offices, 38 outposts and over 15 ports of entry locations.

We issue more than 89,000 licenses and permits involving the manufacture, sale, purchase, transportation, storage and distribution of alcoholic beverages.





# As Time Goes By . . .

## September

### **Excise Tax Reports Revised**

Excise tax reports are revised for the first time since their adoption. Designed to be more user friendly, these reports are easier to use but still contain the needed information.

### **Implementation of HB 3600 and SB 1122**

With the implementation of this legislation, the importation of cigarettes from Mexico into Texas and the amount of tax collected from the importation of these cigarettes is increased. The method of collecting this cigarette tax also improved.

## October

### **Seller/Training Schools Reviewed**

The Compliance Department conducts an extensive review of seller/training schools. As a result of this review, retailers and community groups get involved in implementing new seller/training rules.

### **1-888-THE-TABC Launched**

The campaign to report underage drinking begins with the launching of a hotline to report such violations. This campaign is made possible from a grant funded by TXDOT.

## November

### **Spot Checks Begun**

The ports of entry personnel begin conducting spot checks on non-staffed bridges located along the Mexico-Texas border. Spot checks are primarily conducted at Fabens, Columbia, Rio Grande City, Los Indios and Pharr. These spot checks result in an increase in the collection of importation taxes and fees.

### **New POE Computer Application**

The ports of entry section adapts a new computerized application that enhances and increases the accuracy and speed in which the daily reports are prepared.

## December

### **New Excise Tax Manual**

The Compliance Department begins an extensive review of the excise tax audit procedures which results in the implementation of a new excise tax audit manual.

## January

### **Shattered Dreams Program Improved**

The Shattered Dreams program which educates high school students about underage drinking receives funding from TXDOT.

### **Illegal Importation of Alcoholic Beverages Discovered**

The Compliance Department monthly review of licenses and permits reveals that several distributors are importing alcoholic beverages without the proper license.

## February

### **Regional Forwarding Centers Authorized**

Implementation of Rule 35.6 allows for the development of a reporting system that will monitor the movement of alcoholic beverages.



---

## • • • The Year In Review, September 1999 - August, 2000

---

### March

#### **Nuisance Abatement Laws**

Nuisance abatement laws are first used by the TABC and the AGO as a tool to combat underage and binge drinking at college fraternity and sorority houses.

#### **Investigations initiated**

The agency conducts in-depth investigations and discovers illegal relationships within the three-tier system. Money-laundering and subterfuge schemes are also discovered during these investigations.

#### **Record tax collections made by POE**

The Progreso ports of entry location sets a record collection in the amount of \$100,000 for the first time for both the month of February and March. No other POE location has collected this amount in any one single month.

### April

#### **Ports of Entry Openings**

New bridge openings at Los Tomates, Brownsville and Eagle Pass II.

### May

#### **Facility Improvements**

Improvements are made to the Ports of Entry locations.

### June

#### **Alliance Against Underage Drinking**

The Alliance Against Underage Drinking is formed by TABC and 47 other organizations.

#### **Youth Leadership Camps Held**

TABC and MADD together hold Youth Leadership camps known as power camps. These camps help youth make informed decisions regarding underage drinking.

### July

#### **Seller/Training Evaluated**

Seller/Training program evaluation undertaken by UT school of social work. Program incorporates computer based and internet based programs.

#### **Increase In Tax Reports**

The Excise Tax section increased the number of tax reports analyzed from last year.

#### **Customer Satisfaction Survey**

Compliance Department receives a 98.7% customer service approval rating. Employees are noted for being professional and pleasant.

### August

#### **CrisNet Case Management**

Funding is granted to permit the Enforcement Division to acquire a highly sophisticated computerized case management system.





# LEADERSHIP

## The Commission and Administrator

A three-member commission governs the agency and bears the responsibility of adopting policies and rules to carry out all department programs. Members of the commission are appointed by the governor. The administrator oversees the work of implementing and administering all departmental programs.



**Allan Shivers, Jr., Chairman**  
**Austin, Texas**

Allan “Bud” Shivers, Jr. was appointed as chairman to the commission in 1995. Mr. Shivers previously served as a member of the commission from 1988 to 1992. Mr. Shivers serves on a number of boards including the Shivers Cancer Institute and the Institute for Rehabilitation and Research, and the Seton Fund.



**John T. Steen, Jr., Commissioner**  
**San Antonio, Texas**

John Steen, Jr., who was appointed to the commission in 1998, holds an undergraduate degree from Princeton University, a certificate in Modern English from the London School of Economics and a JD degree from the University of Texas Law School.



**Gail Madden, Commissioner**  
**Dallas, Texas**

Appointed to the commission in 2000, Gail Madden is a graduate of Southern Methodist University and co-founder of Community Connection. She serves on a number of boards and committees, including YMCA of Metropolitan Dallas, the Leadership Alumni and Charter 100.



**Doyne Bailey, Administrator**  
**Austin, Texas**

Doyne Bailey has served as administrator of the Texas Alcoholic Beverage Commission since 1994. He has served as executive director for the Governor’s Office of Criminal Justice, as the sheriff of Travis County and was a member of the Austin Police Department for eleven years.



## The Agency

Executive staff and division directors within the agency implement and administer all agency programs as directed by the commission. The staff and directors bring their extensive experience in innovative management and field work to the job. Most of the staff have proven state and local experience. Many have worked their way up while still possessing a grassroots knowledge of the agency. Their knowledge of the laws and the rules is a very valuable resource.



The executive staff and directors are: *(standing left to right)* Greg Hamilton, Chief of Enforcement; Lou Bright, General Counsel; Randy Yarbrough, Assistant Administrator; *(seated left to right)* Denise Hudson, Director of Resource Management; Doyne Bailey, Administrator; Jeannene Fox, Director of License and Compliance.



## LICENSE & COMPLIANCE DIVISION

The License and Compliance Division consists of the Licensing and Compliance Departments. The Licensing Department is responsible for issuing 89,000 licenses and permits throughout the state and the world.

It is through the process of issuing the 61 different licenses and permits that regulatory control is established. An individual must hold the proper license or permit to be able to operate in the alcoholic beverage business. For information call (512) 206-3360.

The Compliance Department is responsible for the performance of compliance audits and preparation of written reports to ensure adherence with the Alcoholic Beverage Code and for ensuring the proper amount of tax/fee has been reported and paid. It processes and verifies excise tax reports for correctness and oversees compliance with financial requirements of the Alcoholic Beverage Code. This department also investigates money-laundering and subterfuge operations. For information call (512) 206-3300.

The Ports of Entry Section, is responsible for assuring compliance with personal importation laws and for collecting taxes and administrative fees on alcoholic beverages imported into Texas from Mexico. They also monitor compliance with laws regarding importation of cigarettes into Texas and collect the applicable taxes. Agency personnel are stationed at all major bridges along the Texas-Mexico border. For information call (512) 206-3351.



Pictured (*bottom row, left to right*) Amy Harrison, Carrie Coulter, Anita Allison, Debbie Dixon, Diana Gonzalez; (*top row, left to right*) Steve Carlson, Brian Guenther, Buck Fuller, Santos Saldana, Steve Greinert.

## RESOURCE MANAGEMENT DIVISION

The Resource Management Division is responsible for services provided to the other divisions and the executive level of the agency. This includes several departments:

The Human Resources Department handles all employment-related activities, including but not limited to the following areas: recruitment and selection, benefits and compensation, employee relations, classification, training, and equal employment/affirmative action. For information call (512) 206-3220.

The General Services Department is responsible for housekeeping functions of the agency. This includes the agency's printing, mailroom facilities, the central store, maintenance of all lease and inventory records, and purchasing of all equipment and supplies for the agency. For information call (512) 206-3254.

The Information Resources Department is responsible for maintaining the data processing activities of the agency and assisting other divisions in processing their workload. Additionally, this department is responsible for printing and reconciling all of the various licenses and permits and other agency reports. For information call (512) 206-3457.

The Fiscal Services Department is responsible for all fiscal operations of the agency from revenue processing, accounts payable, payroll, time and leave accounting, and maintenance of the general ledger to preparation and oversight of the agency's Legislative Appropriations Request (Budget), Annual Report, and performance reports. For information call (512) 206-3225.



Pictured (*bottom row, left to right*) Sandi Jowers, Jenny Escalante, Vivian Rowe, Judi Bailey; (*top row, left to right*) Gary Henderson, Charlie Kerr, Rick Hewlett, David Pollard, Brad Bearden, Gene Bowman, Jay Webster, Jose Primera.

## LEGAL

The Texas Alcoholic Beverage Commission Legal Section is staffed by four attorneys and three support staff. The staff reviews and prosecutes administrative violations of the Texas Alcoholic Beverage Code by permittees and licensees. It also reviews and prosecutes application protests filed by the Commission, local authorities and citizens to the issuance of original and renewal licenses and permits.

The Legal Section handles general legal work for the Commission and responses to inquiries for legal information from the Commission and the public. For information call (512) 206-3490.

## ENFORCEMENT DIVISION

The Enforcement Division is the largest and the most visible division of the agency. This division is responsible for the actual law enforcement activities of the alcoholic beverage laws. Individuals employed in this division are either state commissioned peace officers or administrative personnel who perform technical licensing functions. Enforcement agents are charged with enforcing the Alcoholic Beverage Code and other laws of the state. Activities include investigations for minors in possession, public intoxication, bootlegging, prostitution, gambling, narcotics, weapons, and organized criminal activities. Enforcement agents also provide regular instruction to school children, licensees and their employees, and

to members of civic groups to promote a better understanding of the law and voluntary compliance.

In addition, a Marketing Practices section within this division oversees the labeling, bottling, and promotion of alcoholic beverage products. For information call (512) 206-3400.



Pictured (*left to right*) are: Eric Pearson, Allen Johnson, Del Drake, Greg Hamilton, and Roy Hale.

## FIELD OFFICES

With its headquarters in Austin, field offices for enforcement and compliance personnel are maintained across the state. For enforcement purposes, the state has been divided into eight regions, each directed by a captain. Compliance personnel are based within four regions and each region is under the supervision of a compliance supervisor.

Office sites are chosen based on three criteria: (1) proximity to concentrations of licensed premises, (2) centrality of the location to the area being served and (3) ease of access to and from all points of the service area. Enforcement personnel are allocated to individual service areas on the basis of assessed need, with need being defined by three factors - number of licensed premises within the service area, the actual size of the service area and service area population. Compliance officers are allocated on the basis of workload, with workload defined by both the types of activities performed within each office and the number of individual accounts.

Current enforcement regions include:

### Region 1 (Lubbock)

Lubbock and Amarillo districts; offices or outposts located in Wichita Falls and Vernon.

### Region 2 (Dallas)

Dallas and Fort Worth districts; offices or outposts located in Greenville, Denton, McKinney, Sherman, Terrell, Granbury and Mineral Wells.

### Region 3 (Odessa)

Odessa and El Paso districts; outpost located in Big Spring.

### Region 4 (Abilene)

Abilene and Waco districts; offices or outposts located in Bryan, San Angelo, Belton, Killeen, Lampasas and Athens.

### Region 5 (Beaumont)

Beaumont and Longview districts; offices or outposts located in Conroe, Jasper, Huntsville, Nacogdoches, Texarkana and Tyler.

### Region 6 (Houston)

Houston district; office located in Galveston and three Harris county sectors.



Pictured (*bottom row, left to right*) Dan Cullers, Glenda Baker, Michael Rogers, (*top row, left to right*) Billy Bush, Richard Jauregui, David Ball, Keith Coleman, Hank Blanchard.



## FIELD OFFICES

### Region 7 (Austin)

Austin and Victoria districts; offices or outposts located in San Marcos, Richmond, Georgetown, Bastrop, Kerrville, Llano, New Braunfels, Angleton, Brenham and Wharton.

### Region 8 (San Antonio)

San Antonio, McAllen and Corpus Christi districts; outposts located in Harlingen, Laredo, Del Rio, Devine, Floresville and Uvalde.

All of the 16 districts are staffed with commissioned peace officers and support staff. In addition, 15 have at least one compliance officer. Additional staffing of one to three law enforcement personnel are maintained in the 39 office/outpost locations.

Compliance functions are organized in four regions:

### Region 1 (Lubbock)

Lubbock, Odessa, Amarillo, El Paso, Abilene and Wichita Falls (compliance officers are not located in Wichita Falls)



Pictured ( *left to right*) Dan Hoover, Steve Boyer, Michael Kane, Frank Westerfield.

### Region 2 (Dallas)

Dallas, Fort Worth, Waco and Longview

### Region 3 (Houston)

Houston, Galveston, Beaumont and Bryan (compliance officers are not located in Bryan)

### Region 4 (San Antonio)

San Antonio, Corpus Christi, McAllen, Austin and Victoria (compliance officers are not located in Victoria)

Agency personnel, under the direction of an area supervisor, also staff ports of entry facilities at all major border crossings along the Rio Grande, including the international bridges at El Paso, Ysleta, Fabens, Presidio, Del Rio, Eagle Pass, Laredo, Roma, Progreso, Hidalgo, Pharr, Brownsville and Los Indios. Other bridges are staffed on a temporary basis as dictated by seasonal traffic.



Pictured ( *left to right*) Herb Murillo, Jose Garza, Sonny Muniz, Juan Villarreal, Oscar Gonzales, Tomas Ochoa.



## PROFILES IN LEADERSHIP



### **Randy Yarbrough, Assistant Administrator President, NCSLA**

Texas Alcoholic Beverage Commission's Assistant Administrator, Randy Yarbrough, served as president of the National Conference of State Liquor Administrators (NCSLA). The NCSLA is a national association of state agency leaders responsible for the administration of alcoholic beverage laws in their jurisdictions. Formed in 1935, the association provides an opportunity for agency leaders and staff to engage in public policy discussions with industry leaders around the country and the world.



### **Greg Hamilton, Chief of Enforcement President, NLLEA**

Texas Alcoholic Beverage Commission's Chief of Enforcement, Greg Hamilton, served as president of the National Liquor Law Enforcement Association (NLLEA). The NLLEA is a national association of state agency enforcement leaders responsible for the administration of alcoholic beverage laws in their jurisdictions. The association provides an opportunity for agency enforcement leaders to develop critical partnerships with other organizations who are dedicated to reducing alcohol violations.





## THE BERT FORD COMMENDATION



George "Mitch" Woods

Diligence and cooperation. For former TABC Administrator Bert Ford, there was no better way for an organization to foster and merit the confidence and respect of the public it served. Throughout his tenure (1936 - 1947), Bert Ford promoted a spirit of cooperation which paved the way for fairness and efficiency in the enforcement of the alcoholic beverage laws in the State of Texas. With an unyielding diligence, he molded a state agency which valued customer service while conducting its operations with a total commitment to professionalism and integrity.

Today, more than 50 years later, Bert Ford's imprint remains. In an era of heightened concern for legendary customer service, the Texas Alcoholic Beverage Commission remains committed to the values carved out by one of its former leaders. Our guiding philosophy and organizational values embrace Bert Ford's vision and reflect his untiring vigor and determination.

Sheriff George "Mitch" Woods exemplifies all of the great attributes the Bert Ford Commendation has come to symbolize. Sheriff Woods' involvement in numerous programs that promote safety among the young people of his community has sent a positive message to the citizens of his community. He consistently labors to bring the members of the law enforcement community together to coordinate their efforts and their resources on behalf of Jefferson County and the State of Texas.

Sheriff Woods has been actively involved in the coordination and implementation of Project S.A.V.E., Shattered Dreams, Operation Fake-Out, the "Anti-Driving While Intoxicated Campaign," the T.O.W.E.D. Program, Star D.W.I., the new .08 Blood Alcohol Content Law and the Texas Adolescent Tobacco Use Awareness and Cessation Program. Sheriff Woods' vision is one which recognizes early intervention as a beginning for new solutions to these problems.

We salute Sheriff George "Mitch" Woods for his vision, his integrity and for his courageous efforts. We are proud to honor him as a recipient of the Bert Ford Commendation for 2000.



## EMPLOYEE OF THE YEAR



**Freddie Atkinson**  
**Brownsville, Texas**

Freddie Atkinson is a taxpayer compliance officer with the ports of entry program. An employee since 1979, Freddie has always maintained the highest standard of dedication and reliability. As noted in his nomination, Freddie is a “unique individual who leaves a professional and lasting impression on others.”



**Deborah Guinn**  
**Austin, Texas**

Deborah Guinn is an employee in the Fiscal Services department and has been employed since 1972. Deborah has demonstrated a keen work ethic and commitment to her job. She is known for her dedication and dependability. As noted in her nomination, “Deborah accomplishes tasks quickly and accurately and takes the initiative to perform tasks that need to be done.”



**Sharon Wells**  
**Fort Worth, Texas**

Sharon Wells is an administrative technician in the Fort Worth enforcement office. An employee since 1985, Sharon has exhibited a commitment to customer service. She is known for her dependability and her industriousness. As noted in her nomination, “Sharon’s selfless devotion to assisting the public provides a precious role model of leadership by example.”



**Charlie Cloud**  
**Fort Worth, Texas**

Charlie Cloud is a sergeant in the Fort Worth enforcement office. Sergeant Cloud has been an employee since 1988. Sergeant Cloud is a diligent and exemplary leader who is being recognized for his outstanding contributions in the field of law enforcement. As noted in his nomination, “Sgt. Cloud has unquestionable integrity and professionalism.”

## NEW PROJECTS

### TABC Compact With Texans



Dedicated professionals serving citizens in an honest, efficient and friendly way. This is the driving philosophy behind our *Compact with Texans*. This is a binding agreement that the Texas Alcoholic Beverage Commission has implemented in order to express our guiding principles of quality, honesty, efficiency and friendliness to our customers.

### CrisNet Case Management

Implementation and evaluation of the CrisNet case management system. This system permits the enforcement and licensing and compliance divisions to computerize their cases in a highly sophisticated manner which will allow for more improved tracking and reporting.



Pictured: Al Luna (*standing*) and David Jones (*seated*).



### Seller/Training Evaluation

Evaluation and renovation of our seller/training program. This program trains retail employees in order to enable them to sell alcoholic beverages in a more responsible manner. An evaluation by the UT School of Social Work will improve this process and further expand it to more retailers.

### Alliance Against Underage Drinking

Working with 47 other organizations to curb underage drinking, this program was formed in 2000, but efforts will continue in 2001.





## FINANCIAL INFORMATION

### Where the Money Comes From

Taxes	\$161,158,603	
License and Permit Fees	27,386,400	82%
Fines	3,167,007	9%
Other	2,839,033	9%
Subtotal	\$ 33,392,440	
Total	\$194,551,043	

### Where the Money Goes

Enforcement	\$ 16,175,332	63%
Licensing, Compliance & Ports Of Entry	6,713,623	26%
Administration	2,854,718	11%
Total	\$ 25,743,673	

### How the Money is Spent

Personnel and Related	\$ 19,337,843	75%
Operating Costs	3,743,284	15%
Capital	2,662,546	10%
Total	\$ 25,743,673	

# Grant Programs

## Cooperative On-Premise Stings (COPS)

The COPS program is a voluntary cooperative effort between the Texas Alcoholic Beverage Commission (TABC) and on-premise retailers. The COPS program takes a pro-active approach focusing on persons under 21 years of age in deterring the illegal purchase and consumption of alcohol. The program will achieve this goal by placing TABC agents posing as employees or customers in retail establishments that sell alcohol for consumption on the premises. The program will concentrate on minors presenting fake identification (ID's), adults making alcohol available to minors and the possession and consumption of alcoholic beverages by minors. All detected violators will be cited or arrested. During the time agents spend with the on-premise retailer's employees, they will demonstrate and share their extensive knowledge and experience with dealing with fake ID's, minors, and intoxicated persons. This educational effort by agents will contribute to TABC's positive commitment towards alcohol awareness and help to reduce the number of minors involved in alcohol-related crashes and DWI arrests.

## On-Premise Minor Stings

The project goal will be accomplished by deterring on-premise licensed locations from selling alcoholic beverages to minors. Undercover agents and minors equipped with hidden audio/video equipment will make unannounced visits to locations that sell alcoholic beverages. The minor will attempt to purchase alcohol while the agent is filming the transaction inside the store. This agent also serves to protect the minor. Two other agents work outside the business helping to secure the location during the sting and also work as the identification team in the event a violation occurs. Filming of the purchase provides a record of the violation for both criminal and administrative action that may be filed. Citations will be issued to individuals caught in the sting unless an arrest is required.

Administrative cases will be filed against the establishments cited in the sting. These administrative cases will result in the license or permit of the business receiving a fine or suspension upon conviction.

The program will also provide positive reinforcement to retailers who do not sell to the minor. A congratulatory letter is sent to the retailer advising them of the sting and commending the establishment for obeying the law and not selling to the minor.



## **Seller-Server Monitoring and Evaluation**

The purpose of the grant is to determine the effectiveness of the seller-server training program as it relates to the number of violations involving the sale or service of alcohol to minors and the sale of alcohol to intoxicated persons.



This will be accomplished by hiring a professional evaluator to assess the seller-server program for effectiveness. The TABC will work with the evaluator in gathering the needed statistics for the evaluation. The TABC will conduct two different types of sting operations for statistical purposes. One will be minor stings. Minor stings are used to determine if businesses or their employees sell alcoholic beverages to minors. The sting will be conducted at 100 pre-selected locations in each of three areas. These areas are Dallas-Fort Worth, Houston and San Antonio. Each of these areas were picked based on the availability of needed staff to conduct the stings and the number of licensed locations in the area. The evaluator will be a part of each sting and will gather information that is needed at the time the sting is being conducted. Criminal and administrative charges will be filed for any detected violations. Normal agency procedures will be followed for all stings.

The second group of stings will again be conducted by TABC personnel in conjunction with the evaluator. This set of stings will focus on businesses or their employees that sell alcohol to intoxicated persons. Agents will escort an actor who plays the part of an intoxicated customer to 100 pre-selected locations in each of the three targeted areas. The three areas are Dallas-Fort Worth, Houston, and San Antonio. The agency will not file any criminal or administrative charges for violations found in this sting, as the actor is not intoxicated. In both stings, agency procedures will be followed at all times, and every effort will be made to audio and video record each attempt.

The evaluator will also complete pre- and post-tests of those attending seller-server classes to determine knowledge gained from the class. Servers who have been certified more than one year will be tested to help determine if long term knowledge was gained from the training. This testing will be conducted through the cooperation of currently licensed seller-server schools.

It will be the responsibility of the evaluator to set criteria for the study. The evaluator will receive input from the program director, other TABC employees and a representative of the Texas Department of Transportation (TxDOT) to determine the study criteria. The evaluator will, before September 1, 2000, provide the TABC with a complete written evaluation showing the effectiveness of the seller-server training program.



## **DEAD/Shattered Dreams**



TABC agents will continue to be involved in the Shattered Dreams programs across the state. Shattered Dreams is a community-based school program that brings the reality and consequences of drinking and driving home to high school students, their parents, school leaders and the community. The two-day program involves the removal of pre-determined students from the classroom by the Grim Reaper. The student's obituary is then read by volunteers and posted on the wall for the rest of the day. The removal of students from the classrooms continues to occur every fifteen minutes for the rest of the school day. These students become the living dead. They are dressed in black and white face paint and returned to class. They are not to talk or communicate with anyone for the rest of the school day.

At mid-morning, a mock accident is conducted near the school. The mock accident shows students first-hand the tragedy of an alcohol-related crash. Students involved in the mock accident are made to appear as they would in a real crash. One student is identified as a drunk driver. This student is taken through the process as if it were real. Likewise, students injured in the mock accident are taken to local hospitals and made to feel the complete impact of the accident.

At the end of the first day, students involved in the mock accident and those students listed as the living dead are taken to an off-school campus site for an overnight retreat. At the retreat, the impact of the day's activity are discussed and guest speakers present programs to the students. The day ends with the students writing letters to their parents telling them how the day has affected their lives.

Day two consists of an all school assembly showing video highlights of the previous day's activities. Students share their feelings and emotions concerning drinking and driving. Local leaders give testimony as to the dangers of drinking and driving with support being shown from the public and school administration.

## **Youth Alcohol Enforcement Workshops for Police Managers**

The goals of the Youth Alcohol Enforcement Workshop for Police Managers are to help law enforcement agencies to come together as a local team to combat alcohol abuse and provide these teams with information on successful programs that are being used in Texas and other states. The workshop curriculum and concept were first developed by the International Association of Chiefs of Police and the National Highway Traffic Safety Administration (NHTSA).

In October 1997, representatives from the TABC, NHTSA, Itawamba Community College in Fulton, Mississippi and the Governor's Office of Community and Highway Safety of Arizona met and updated the Youth Alcohol Enforcement Workshop curriculum and included new Texas state laws within the program. In December 1997, NHTSA, in conjunction with the Arlington Police Department, conducted a workshop in Arlington, Texas and the response was very good. A copy of the entire curriculum can be provided upon request.

Notebooks for the participating officers are provided as part of the training. The class will last eight hours in a one-day session. The program is an interactive program which will encourage the participation of the officers.

Four workshops will be conducted around the state. The locations will be Austin, Waco, Galveston and McKinney.

## **Underage Drinking Hotline**



In November 1999, the Criminal Justice Division allowed TABC to change the focus of the grant it had received to produce and distribute Minor Sting Training Video. Using \$30,000 in unused dedicated funds from the video project and working with the Sherry Matthew's

Advertising Agency, Texas Department of Transportation and three privately-owned bill board companies the agency was able to develop and promote the Underage Drinking Hotline. The hotline number, 1-888-The-TABC, was placed on over 250 bill boards across the state and has resulted in an average of 120 calls per month reporting the illegal use of alcohol. A professional answering service that handles over 40 crime stopper lines has been used for the project and has added to the success of the program.

In addition to the bill board space being donated, the TABC received support in the printing and graphic work of over 120,000 posters that were designed to promote the hotline. TABC agents distributed the posters to high schools and businesses all over the state. Likewise, business cards with the hotline information have been distributed. The grant funding for this program will end the last day of February, but the program continues to be a positive program for the agency.

## Project SAVE



Project SAVE (Stop Alcohol Violations Early) is a school-based alcohol prevention program developed by the TABC. The program is offered to students in fourth through ninth grades and teaches children not only to avoid alcohol because it is illegal for them to drink, but also instructs the students on methods to refuse the beverages and avoid situations where alcohol may be present. Project SAVE instructors equip children with the necessary skills and tools to resist pressure to drink by peers, adults, society and their community. These tools have been tested by children and are proven to work in real life settings.

The message is delivered by TABC agents experienced in liquor law enforcement who present a realistic picture of the consequences of the illegal underage drinking. These instructors are certified peace officers who have been specifically selected to instruct Project SAVE because of their exemplary dedication to children. They undergo a rigorous training period and are thus highly qualified to instruct the SAVE program. The participants in a SAVE program also have the added benefit of asking questions of instructors with years of experience in handling alcoholic beverage violations by minors.

## Power Camps



The TABC, in conjunction with Texas Mothers Against Drunk Driving (MADD), have determined that education is a major factor in reducing crashes that are alcohol-related for persons under the age of 21. To alter the way a person under 21 confronts the problem, they must learn how to face challenges from their peers, the legislature, local officials and sometimes their family in order to change attitudes and beliefs. Youth Power Camps can help to build strong leaders that will take the message of not drinking until you're 21 and not drinking and driving back to their homes, schools and communities. Many programs work on the enforcement of alcohol-related laws, most of these programs are used to solve the short-term violation, but they have little impact on the long-range attitudes of minors. Youth Power Camps will work to change these attitudes by developing those under 21 as positive leaders.

## **Automated Law Enforcement Underage Project**

In the continuing effort to eliminate—or at least diminish—teenage alcohol abuse, enforcers of the Texas Alcoholic Beverage Code have noticed, subjectively, that there appear to be certain retailers and retail chains that are less likely to sell alcoholic beverages to minors. Other retailers and retail chains, on the other hand, appear to be very likely to sell alcoholic beverages to minors. What makes the difference? Is it a matter of policy, procedure, hiring practices, or some other factor?

There are many variables which need to be addressed, but the most obvious approach is to tackle the concept of policies and procedures. Before this can be done, there must be established a factual comparison of retailers' compliance with the Texas Alcoholic Beverage Code. Once this is established, the policies and procedures must be gathered from retailers with a favorable history of compliance with the Code. This information will then be used to create a training curriculum to be presented to those retailers—both management and employees—with less than favorable histories of selling alcoholic beverages to minors.

After the curriculum has been presented and the newly educated retailers have had a chance to adopt or implement the new information, another sting will be conducted to determine the effectiveness of the campaign.

All of this is to be a proof of concept for another way of attacking the problem of teenage alcohol abuse. With the selection of a suitable software system, the Texas Alcoholic Beverage Commission can:

- ♦ Make electronic data analysis available to every enforcement agent. At present, the agents do not have convenient nor timely access to electronic analysis of existing data.
- ♦ Each field office and agent could use this system to access timely information to develop timely lesson plans to present to students, parents, coalitions, civic organizations, and other public agencies.
- ♦ Each field office and agent could, on their own initiative, easily search for

common threads of criminal activity. Common threads which would not be readily apparent without the aid and advantages of a suitable relational database software system designed for police use and used to detect these relationships.

- ♦ The TABC could more quickly adapt to trends, adjust lesson plans, target audiences, enforcement plans, and resources to combat teenage alcohol abuse.

The acquisition of a suitable software package that would allow full use and investigative inquiry into administrative and criminal data would accomplish much. It will not only permit enforcement agents to work smarter, it will also deal a discernable impact against teenage alcohol abuse.

## Operation Fake Out



Operation Fake Out is a joint operation which brings local law enforcement and TABC agents together to identify persons using false identification to obtain or attempt to obtain alcoholic beverages. Law enforcement officers saturate a predetermined area that is known to cater to underage persons. Officers work in conjunction with retailers to identify offenders. At the same time, officers train retailers on what to watch for in the screening of fake ID's. They also work with federal and state officers to determine where the fake ID's are being manufactured.

## Retirements

Leonel Guzman   ★   Lupe Rios   ★   Phil Guerra  
David Jackson   ★   John Smith

## Meritorious Service

### Thirty Years

Margie Carrizales   ★   Ramiro Guerra   ★   Mannon Mints   ★   Michael Kane

### Twenty Five Years

Mona Appling   ★   Alvin Moczygamba   ★   Oscar Gonzales  
Jack Jett   ★   Dyer Lightfoot   ★   Robert Wallace

### Twenty Years

Freddie Atkinson   ★   Debbie Niemtschk   ★   Don Engleking  
David Jackson   ★   Phil Montgomery   ★   Don Wilson   ★   Caroline Simmons  
Jay Webster   ★   Sylvia Cobos   ★   Anita Allison  
Dale Evans   ★   Robert Donahoo   ★   Mark Hohensee





## PROFESSIONAL ORGANIZATIONS

The Texas Alcoholic Beverage Commission and its employees endeavor to improve their knowledge by attending various professional organizational meetings and conferences. Some of these organizations' and associations' charters and mandates directly relate to some of the duties and responsibilities of our employees. The following is a list of these organizations and associations and the agency employees who normally represent the agency at these meetings.

American Society of Law Enforcement Trainers - Jose Primera and Debra Jones  
Association of Certified Fraud Examiners and Austin Area Chapter of Fraud Examiners -  
Charlie Kerr, Brian Guenthner and Jeannene Fox  
Association of Contingency Planners - Mona Appling  
Austin Restaurant Association - David Ball and Frank Westerfield  
Capital Area Law Enforcement Executive Association - David Ball  
Institute of Internal Auditors - Charlie Kerr  
Mid-size Agency Coordinators Council - David Pollard and Jenny Escalante  
National Alcoholic Beverage Control Association - Doyne Bailey, Randy Yarbrough  
Greg Hamilton and Jeannene Fox  
National Association of Government Communicators - Donald Gentry  
National Conference of State Liquor Administrators - Doyne Bailey, Randy Yarbrough,  
Lou Bright, Jeannene Fox, Greg Hamilton and Allen Johnson  
National Liquor Law Enforcement Association - Greg Hamilton, Sam Smelser, Jeannene  
Fox and Doyne Bailey  
Sheriffs Association of Texas - Doyne Bailey, Jeannene Fox and Greg Hamilton  
State Property Association - Richard Hewlett and David Pollard  
Texas Law Enforcement Intelligence Unit Association - Del Drake  
Texas Police Association and Texas Police Chiefs Association - Doyne Bailey,  
Greg Hamilton and Jeannene Fox  
Texas State Agency Business Administrators Association - Randy Yarbrough, Denise  
Hudson, Jeannene Fox, Brian Guenthner, David Pollard and Judi Bailey  
Texas State Human Resources Association - Vivian Rowe, Jenny Escalante and  
Donald Gentry  
Texas Association of State Systems For Computing and Communication - Gene Bowman  
and Jay Webster  
Uniform State Accounting System - Judi Bailey and David Pollard  
Uniform State Personnel System - Judi Bailey and Donald Gentry  
University of Texas at Austin/Software Quality Institute - Todd Ellzey



## **CLASS OF 2000 TABC Agent Trainees**

Build it and they will come. The Texas Alcoholic Beverage Commission is able to build a strong enforcement program through the recruitment and hiring of its agent-trainees. They come from everywhere - sheriff's departments, police departments, state agencies as well as other governmental entities. They receive rigorous training and they must be certified by the Texas Commission for Law Enforcement Officer Standards and Education. Some come to the agency with many years of law enforcement experience and already know how to "protect and serve."



(*Front row:* Gene Anderson, Anthony Canonizado, Wayne Pool, Yvette Price, Lee Santo; *Back row:* David Whalen, Patrick Mayers, Dennie Carlton, Jeff Mann, Van Kasmiroski)



The Texas Alcoholic Beverage Commission's Employee Health and Safety Program was authorized by the State Employees Health and Fitness and Education Act of 1983, Texas Civil Statutes, Article 6252-28 and VTSCA, Government Code, Title 6, Subtitle B, Chapter 664. The Texas Alcoholic Beverage Commission's program was approved by the Texas Department of Health on November 24, 1992.

The goal of the Texas Alcoholic Beverage Commission's Employee Health and Safety Program is to increase the employees' level of awareness of health and wellness and to enhance the quality of employees' lives and thus, improve their job effectiveness and productivity through better health and better fitness.

Some of the program activities include lunchtime speakers, health fairs, posters, one-time education classes and health screenings. Change in lifestyles activities are also offered to employees in the form of exercise classes, stress management courses and behavioral programs. The program also focuses on creating a supportive environment for healthy lifestyles through such activities as smoking cessation and nutrition classes.

The employees of the Texas Alcoholic Beverage Commission have exhibited a charitable interest in their communities. The employees have actively participated in the seasonal food drives, March of Dimes Walk, Heart Walk, Big Brother-Big Sister Christmas Programs, State Charitable Campaign, Red Ribbon Awareness Week, Breast Cancer Awareness Week, National Smoke Out Day, Special Olympics and the Coats for Kids as the employer of the year.

The Employee Health and Safety Committee membership is comprised of an employee from each agency department. Currently, the membership includes: (pictured bottom row, left to right) Jeannie Miller; Richard Hewlett, chair;

Julie Utsey, vice-chair; (pictured top row, left to right) David Pollard,

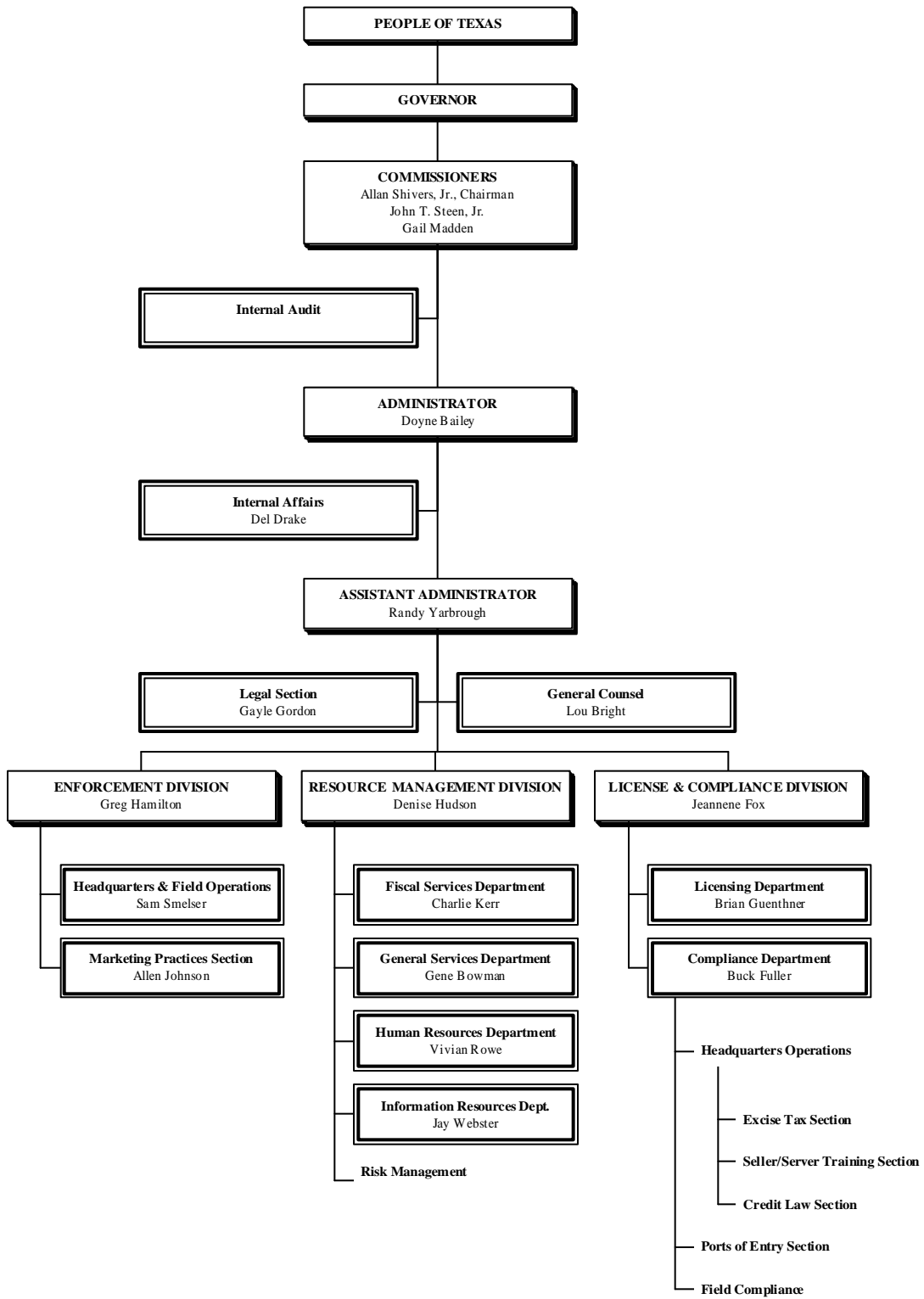
treasurer; Melissa Smedley; Keith Newmeyer; Sharon Roberson; Donald Gentry, who serves as the Health and Safety Committee coordinator; Yvonne Tucek; and Claire Myers, secretary.

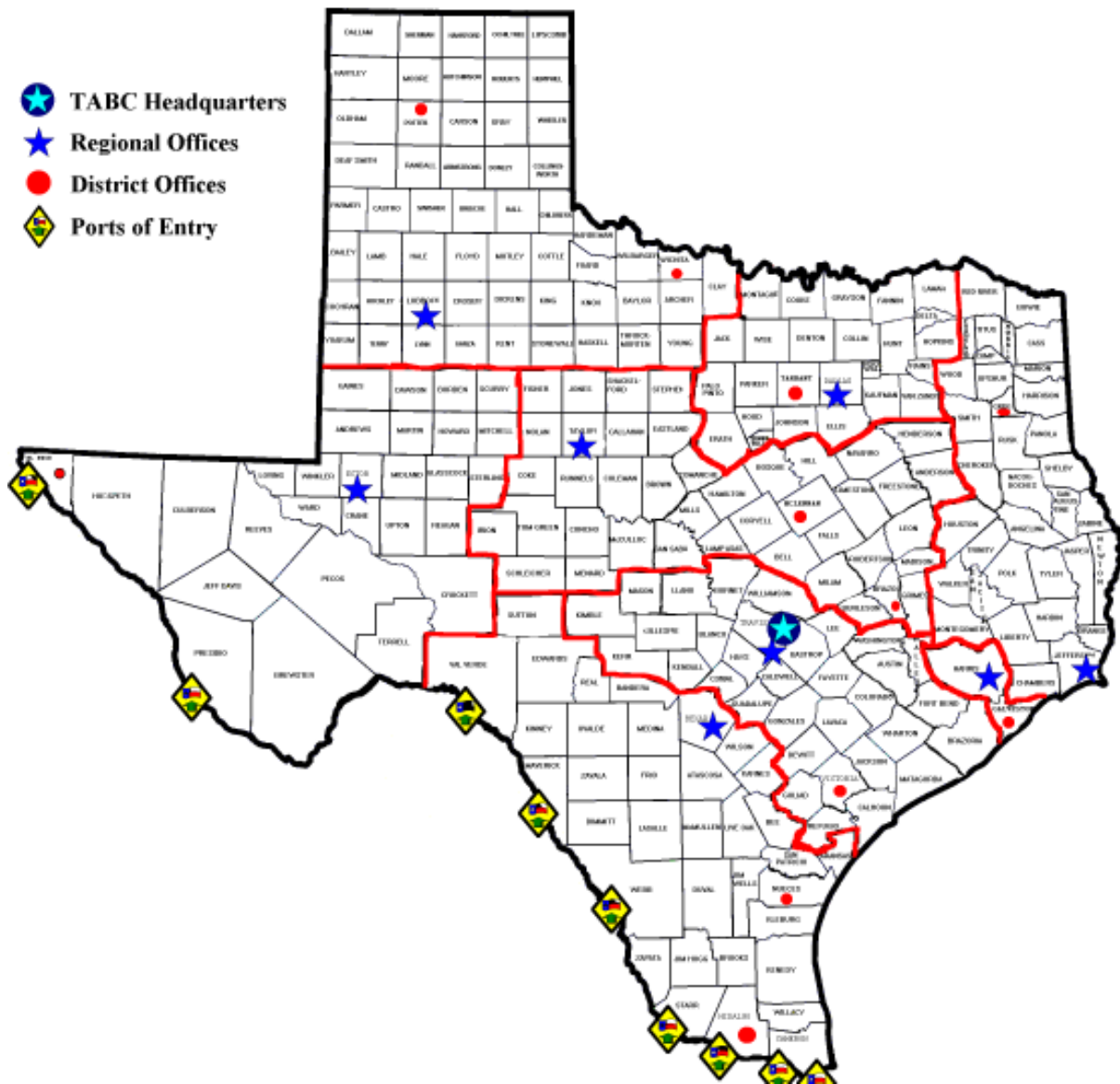


<b>Accountability Measures (By Topic)</b>	<b>Responsible Area <sup>1</sup></b>	<b>FY98</b>	<b>FY99</b>	<b>FY00</b>
<b>Public Safety and Welfare</b>				
Number of Inspections made	ENF	97,953	105,883	106,048
Number of persons Instructed by the Agency	ENF	320,623	364,430	356,102
Number of Youth Instructed by Agency	ENF	241,592	266,026	297,644
Average Cost per inspection	ENF	\$ 145.01	\$146.13	\$150.89
Average Cost per instruction	ENF	\$ 2.46	\$ 1.97	\$ 5.26
Number of administrative cases settled	ENF	2,838	2,846	3,027
Number of criminal cases settled	ENF	16,568	14,217	14,841
Number of criminal violations found during inspections	ENF	33,057	36,189	26,979
Number of licensed establishments subject to inspection	ENF	38,429	38,253	38,145
Number of Investigations opened	ENF	7,050	6,492	6,760
Number of administrative violations found during inspections	ENF	11,934	11,304	8,583
<b>Licenses and Permits Processed/Issued</b>				
Number of applications processed	L&P	100,726	100,954	98,449
Number of licenses/permits issued	L&P	89,589	89,623	88,320
Average Cost per license/permit issued	L&P	\$ 20.71	\$ 20.36	\$ 21.51
<b>Compliance Requirements</b>				
Number of inspections, analyses and compliance activities	COM	81,107	82,444	88,860
Number of compliance actions and/or administrative actions	COM	27,806	26,628	29,289
Number of inter/intra state reports analyzed	COM	25,810	27,519	28,175
Number of tax reports processed	COM	8,975	8,869	8,931
Number of compliance and/or tax administrative actions	COM	671	532	620
Average Cost of compliance activities	COM	\$ 24.83	\$ 23.93	\$ 23.62
Average Cost per tax report processed	COM	\$ 1.35	\$ 1.18	\$ 1.16
Number of licensees/permittees subject to inspection	COM	39,290	39,403	39,490
Number of licensees/permittees subject to tax	COM	611	607	585
Number of alcoholic bev. containers/cigarette pkg. stamped	POE	2,788,911	3,129,785	4,046,189
Number-alcoholic bev. containers/cigarette pkg. confiscated	POE	9,780	9,968	24,614
Average Cost per container of alcoholic bev./cigarette pkg.	POE	\$ 0.95	\$ 0.82	\$ 0.70

<sup>1</sup>Abbreviations as follows: Enforcement and Marketing Practices (ENF), Compliance (COM), Licensing & Permits (L&P), Ports of Entry (POE), Fiscal Services (FSD), General Services (GSD), Human Resources (HRD), Information Resources (IRD)

# Texas Alcoholic Beverage Commission







## INTERESTING FACTS

- ★ Although the cover of this report depicts illegal stills and bootlegging circa 1940, it is a fact that the TABC still uncovers these same operations today.
- ★ The Texas Alcoholic Beverage Commission collects more than \$194 million a year in taxes and fees while only spending just over \$25 million a year to operate.
- ★ TABC agents are state peace officers that are certified by the Texas Commission on Law Enforcement Officer Standards and Education.
- ★ The Texas Alcoholic Beverage Commission Members are appointed by the Governor subject to the advice and consent of the Texas Senate.
- ★ The TABC ports of entry employees collect over \$3 million a year in fees and taxes on alcoholic beverages and cigarettes imported from Mexico.

### **About This Report**

This is the Annual Report of the Texas Alcoholic Beverage Commission for the fiscal year ending August 31, 2000 (FY2000). This report is one of several documents the Texas Alcoholic Beverage Commission produces to provide information to our employees and the public. More information can be found on the Texas Alcoholic Beverage Commission web site at [www.tabc.state.tx.us](http://www.tabc.state.tx.us).

### **Contributors**

This report was prepared by the Resource Management Division, with information provided by all other divisions.

### **Resource Management Division Director**

Denise Hudson

### **Project Manager, Writer and Editor**

Donald Gentry

### **Illustrations**

Jeannie Miller

### **Photography**

Jeannie Miller  
Information Resources

### **Proofreader**

Jenny Escalante

### **Staff Contacts**

Compliance: Buck Fuller  
Enforcement: Roy Hale  
Executive: Claire Myers  
Fiscal Services: Charlie Kerr  
General Services: Gene Bowman  
Human Resources: Vivian Rowe  
Information Resources: Jay Webster  
Licenses and Permits: Brian Guenthner



Pictured above (*left to right*) are Don Gentry, editor; Jeannie Miller, illustrator and photographer and Jenny Escalante, proofreader.

TABC (12/00)  
Dispersal of this publication conforms with Texas State Documents  
Depository Law, and it is available at Texas State Publications  
Clearinghouse and/or Texas Depository Libraries.





The Texas Alcoholic Beverage Commission is an equal opportunity employer and does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment, or in the provision of services, programs, or activities. In compliance with the Americans with Disabilities Act, this newsletter may be requested in alternative formats by contacting the TABC at (512) 206-3220, (512) 206-3270 (TDD), (512) 206-3350 (fax) or by writing Post Office Box 13127, Austin, Texas 78711-3127.